

# Mississippi Gaming Commission Regulations

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## **TITLE 13: GAMING**

### **Part 12: Charitable Gaming Licensing**

#### **Part 12 Chapter 1: CHARITABLE BINGO ORGANIZATION.**

##### *Rule 1.1 Charitable Bingo Organization.*

(a) A bingo game may be conducted in this state only for the benefit of a charitable organization that has been licensed pursuant to statutes, rules and regulations governing the bingo activity. Any license issued pursuant to these rules will be in effect up to three (3) years.

Source: *Miss. Code Ann.* §§ 97-33-57(3), 97-33-52(1)(a), and 97-33-69(3).

(b) Any charitable organization desiring to conduct bingo games must obtain a license to do so from the Commission. An applicant for a license must file an application on a form prescribed by the Commission for such purpose. The application fee, as prescribed by statute, must accompany the application. The charitable applicant shall further provide copies of the previous three (3) years federal and state tax returns with the application.

Source: *Miss. Code Ann.* § 97-33-55(4).

(c) The fees must be paid by a check drawn on the organization's separate bingo checking account.

(d) A religious organization may be refunded the application fee if, after investigation by the Commission, it is determined that such religious organization is exempt from the application fee. No other application fees shall be refunded for any reason including the refusal of the Commission to issue a license.

Source: *Miss. Code Ann.* §§ 97-33-55(4) and 97-33-107(c).

(e) In addition, any charitable organization which offers electronic pull-tabs is subject to a license fee equal to 2 ½ % of the net proceeds of electronic pull-tabs. This license fee shall be paid to the Commission monthly on forms prescribed by the Commission.

Source: *Miss. Code Ann.* § 97-33-107(b).

(f) The charitable bingo licensee is also required to remit fees based on gross proceeds of each bingo session as required by statute and regulation unless the licensee meets the requirements to be an excepted religious organization.

Source: *Miss. Code Ann.* § 97-33-107(c).

(g) It is the obligation of both the lessor and the charitable organization to ensure that the facilities satisfy all local, state and federal safety and health standards. Failure to maintain the required standards can result in the suspension or revocation of their license.

(h) The charitable organization may conduct no more than two (2) five (5) hour bingo sessions

within one (1) day or more than eight (8) sessions in one (1) week. A licensee who holds only one (1) session per week may conduct a six (6) hour session.

Source: *Miss. Code Ann.* § 97-33-67.

## **Part 12 Chapter 2: MANUFACTURER AND DISTRIBUTOR.**

### *Rule 2.1 Manufacturer and Distributor.*

(a) No person or other entity shall fabricate, concoct or manufacture any supplies or equipment for use in the conducting of any bingo game within this state without having obtained a manufacturer's license from the Commission.

(b) No person or other entity shall sell, offer to sell, or otherwise furnish any bingo supplies or equipment without having obtained a manufacturers, distributors or operators license from the Commission. All such licensees shall report to the Commission no less than monthly on forms prescribed by the Commission.

(c) Any license issued pursuant to these rules will be in effect up to one (1) year.

Source: *Miss. Code Ann.* § 97-33-79.

(d) Any organization seeking a license as a manufacturer or as a distributor of bingo gaming supplies or equipment shall submit an application(s) to the Gaming Commission on the forms provided for such purpose. A distributor is also authorized to enter into agreements with charitable organizations under which the distributor supplies electronic daubers, electronic video bingo or electronic pull-tab machines to a charitable organization. Any such organizations shall further provide copies of the previous three (3) years federal and state tax returns with the application.

Source: *Miss. Code Ann.* § 97-33-201(1)(a).

(e) Payment must be made by money order, certified check, or cashier's check on a new application. No personal checks of any person or other entity will be acceptable.

(f) All application fees are non-refundable.

(g) A manufacturer, distributor, or agents or employees may not take part in the holding, operation or conducting of any bingo game.

(h) A distributor shall also be authorized to enter into service and/or maintenance agreements with charitable organizations who have purchased their own electronic pull-tab devices. All such agreements must be submitted to the Commission for approval prior to execution. The rate to be charged shall not exceed the reasonable market rate for such services.

Source: *Miss. Code Ann.* § 97-33-69(5).

## **Part 12 Chapter 3: COMMERCIAL LESSOR.**

### *Rule 3.1 Commercial Lessor.*

(a) No more than two (2) sessions may be conducted within one (1) day or more than eight (8) sessions in one (1) week on the premises of the commercial lessor. A licensee who holds only

one (1) session per week may conduct a six (6) hour session. If the rental rate submitted for the premises is found by the Commission to be in excess of the reasonable market rental rate, then the same premises may not be submitted for a reasonable determination for a period of two (2) years.

(b) The commercial lessor is prohibited from requiring or receiving any payment, cost or fee from the charitable bingo licensee other than the rental amount provided for by the rental agreement. The commercial lessor may not receive any percentage from the gross receipts or profits from any bingo operation, nor charge any type of admission fee to the participants.

(c) The commercial lessor is prohibited from entering into any agreement with a distributor or operator of bingo supplies and equipment for the use, purchase, promotion or sale of such supplies and equipment.

Source: *Miss. Code Ann.* §§ 97-33-203 and 97-33-201(a).

(d) A commercial lessor is prohibited from having a direct or indirect interest of any kind or nature with:

1. A manufacturer, distributor or operator licensee.
2. Charitable bingo organizations other than the rental agreement. This would include membership in such organization.

Source: *Miss. Code Ann.* § 97-33-81.

(e) An officer, director or manager of a charitable bingo licensee may not serve as an officer, director, shareholder, proprietor or employee of a commercial lessor.

Source: *Miss. Code Ann.* § 97-33-81.

(f) Commercial lessors, their agents or employees shall not take part in the holding, operation or conducting of a bingo game.

Source: *Miss. Code Ann.* § 97-33-69(5).

(g) The lease providing for a rental arrangement may not be in excess of the reasonable market rental rate for such premises, and in no case shall any lease payment be based on a percentage of gross receipts or profits from a bingo game.

Source: *Miss. Code Ann.* § 97-33-69(9).

(h) It is the obligation of both the lessor and the charitable organization to ensure that the facilities satisfy all local, state and federal safety and health standards. Failure to maintain the required standards can result in the suspension or revocation of their license.

(i) Commercial lessors shall be subject to background investigations to ensure an arms-length relationship with the lessee. Both the commercial lessor and the executive director of the charity shall sign an affidavit provided by the Commission attesting to the fact that neither has any other form of business relationship with the other, nor is there any blood, marriage or personal relationship. They will also swear or affirm that neither has received, offered or accepted any

additional compensation, reward, or recompense. No person in any way connected with the charity or any family member of any person connected with the charity may benefit or profit in any way from the leasing or selling of a building to the charity.

Source: *Miss. Code Ann.* § 97-33-81.

## **Part 12 Chapter 4: OPERATORS AND DISTRIBUTORS.**

### **Rule 4.1 *Operators and Distributors.***

(a) Any person desiring to rent, lease, repair and/or service electronic video bingo or pull-tab machines to a licensed charity for use in this state shall:

1. Comply with and meet all criteria as set forth in the Charitable Bingo Law and the rules adopted thereunder;
2. Be issued and maintain all applicable federal, state, and local licenses;
3. Apply for either an operator's license or a distributor's license on forms prescribed by the Commission and submit with the application an application fee as prescribed in section (b) of this regulation and the appropriate monthly rate for any part of the month such machine is placed in service;
4. Operators must purchase all machines from a licensed distributor and/or licensed manufacturer;
5. Distributors must purchase all machines from a licensed manufacturer.

(b) Operators and distributors must apply for license renewal on forms prescribed by the Commission no less than ninety (90) days prior to the expiration of the license and submit with the renewal the application fee.

(c) Operators and distributors shall notify the Commission in writing of the shipment of any of their machines into or within the state of Mississippi no less than five (5) days prior to the date of delivery. This notification must include:

1. Make, model numbers, individual serial numbers and the number of machines to be sold or leased and shipped;
2. Intended date of shipment, destination, date of shipment, and bill of lading; and
3. An affidavit stating any differences, however slight, between the incoming machines and the prototype previously approved by the Commission.

(d) A license may be suspended or revoked by the Commission upon the Commission's determination that the licensee has not complied with the conditions of licensing or has failed to submit a requested report.

(e) The Commission may deny, restrict, suspend, limit, or revoke a license as an operator or distributor of electronic video bingo or pull-tab machines when it is ascertained that an applicant has solicited electronic video bingo or pull-tab business prior to being licensed by the Commission.

(f) Each operator and distributor must file a report on forms prescribed by the Commission no later than the 15<sup>th</sup> of each month and pay the per machine fee for each machine in service for any part of a month. The report must itemize each machine by its physical location and the charitable organization who is leasing such machine.

(g) All application fees are non-refundable.

(h) Operators and distributors are authorized to enter into service and maintenance agreements with charitable organizations who have purchased their own electronic pull-tab devices. All such

agreements must be submitted to the Commission for approval. The rate to be charged shall not exceed the reasonable market rate for such services as determined by the Commission.

(i) All rental agreements between the distributor or operator and/or the charitable organization must be submitted to the Commission for approval prior to its execution.

(j) Any such applicant shall further provide copies of the previous three (3) years federal and state tax returns with the application.

Source: *Miss. Code Ann.* §§ 97-33-79(5), 97-33-201, and 97-33-203.

## **Part 12 Chapter 5: PERMITS AND LICENSES.**

### **Rule 5.1 *Permitting Process.***

(a) Authorization to use or furnish electronic video bingo or pull-tab machines shall only be granted to:

1. A licensed charitable organization for its own machines; or
2. A licensed operator who leases, rents or otherwise furnishes such machines to a licensed charitable organization; or
3. A licensed manufacturer who leases, rents, sells or otherwise furnishes to a licensed distributor or sells to a licensed operator;
4. A licensed distributor who sells to a licensed operator or charity; and
5. A licensed distributor who enters into agreements with charitable organizations under which the distributor supplies electronic video bingo or electronic pull-tab devices to a charitable organization with the distributor's compensation being based on the amount of play on the machine.

(b) An approved operator or distributor before placing any machines on location under lease must submit to the Commission an application for a permit stamp for each machine intended for use. The application must include:

1. Make, model, serial number and quantity of machines intended for use;
2. Name of each participating charitable organization;
3. Copy of lease or rental agreement between the charitable organizations and the operator or distributor;
4. Location and address where specified electronic video bingo or pull-tab machines are to be used and owner information. A separate application must be completed for each machine.

(c) Upon approval of an application for placing machines at a given location, a representative of the Commission may inspect, test, and approve each machine. The Commission representative will affix a permit stamp, logic board seal and hard meter seal to each machine, whereupon they may be transported to an approved location. Upon arrival each machine will be inspected by an agent of the Commission prior to the device's placement into operation.

(d) Permit stamps must be affixed to the exterior machine cabinet so the stamp is visible and easily read. The machine may not be positioned or located in any way which would obscure a person's ability to see and read the permit stamp.

(e) No machine shall be placed in service prior to the Commission's issuance and affixing of a permit stamp, logic board seal and hard meter seal.

(f) A charitable organization that purchases a machine must follow the same procedures outlined for a distributor or operator prior to placing said machine in use.

Source: *Miss. Code Ann.* § 97-33-65.

*Rule 5.2 Permit Stamp, Machine Location.*

- (a) A permit stamp for a machine is only valid for the licensee and the premises identified on the approved permit application.
- (b) A permit stamp is further restricted to the particular machine approved by the Commission and identified on the permit application.
- (c) A permit stamp is not the personal property of the licensee and may be removed by the Commission at any time.
- (d) No machine shall be moved from the location specified in the permit application for use at another location until a new application is approved and the transfer is authorized in writing by the Commission.
- (e) No machine shall be moved from the location specified in the permit application without prior authorization from the Commission.

Source: *Miss. Code Ann.* § 97-33-65.

*Rule 5.3 Expiration of License/Reissuance.*

- (a) All electronic video bingo and pull-tab device permit stamps and operators licenses issued pursuant to these rules expire not more than one (1) year from the date of issuance.
- (b) All fees must be paid and a new permit stamp issued before a previously permitted machine may be operated in this state.
- (c) The Commission will consider the same criteria for renewal of permit stamps as for the original issuance of permit stamps. Failure to satisfy permit criteria contained herein may result in denial or removal of a permit stamp or license revocation.

Source: *Miss. Code Ann.* §§ 97-33-57, 97-33-65, and 97-33-201.

*Rule 5.4 Compensation of Workers of Charitable Organizations.*

- (a) An organization may pay eligible workers only for services actually rendered in assisting in the holding, operating or conducting of a licensed charitable bingo game. Payment shall not exceed Four Hundred Dollars (\$400.00) per session to all persons compensated.
- (b) Contact persons, supervisors, and alternate supervisors are forbidden to enter into any agreements with a manufacturer, distributor, operator or commercial lessor except on behalf of the charitable bingo licensee as authorized by the licensee by written contract.
- (c) The contact person, supervisor, alternate supervisor and anyone assisting in the holding, operating, or conducting of a licensed bingo game must apply to the Commission for a finding of suitability to operate bingo for a charitable organization. Any person found unsuitable may also be deemed unsuitable by the Commission to work in any capacity in the bingo hall.
- (d) A corporation, person or entity operating bingo or assisting in the holding, operating or conducting of a licensed bingo game, as provided in section (c) of this regulation, for the benefit of a licensed charitable organization shall be restricted to operating such games for a limit of one (1) such organization authorized to pay employees up to a maximum of Four Hundred Dollars (\$400.00) per session. Such corporation, person or entity shall only be authorized to conduct such sessions at one (1) physical location or building.

(e) Any corporation, person, or entity operating bingo games under contract, as previously described, shall have a written contract with the charitable organization and shall be subject to any rules and regulations promulgated by the Commission.

Source: *Miss. Code Ann.* § 97-33-69.

**Rule 5.5 *Licenses Not Transferable.*** No license issued by the Commission pursuant to the Charitable Bingo Law is transferable by name nor location. Any license issued under this Act is a privilege and not personal property and must be surrendered to the Commission upon request.

Source: *Miss. Code Ann.* §§ 97-33-107 and 97-33-109.

**Rule 5.6 *Applicant Suitability and Business Relationships.***

(a) The Commission may deny an application or revoke, suspend, restrict, or limit a license when it finds that the applicant or a business relationship between an applicant and another person or business entity is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of an applicant or other persons or business entities in a business relationship, the Commission may consider the person or business entity's:

1. General character including honesty and integrity;
2. Financial security and stability, competency, and business experience in the capacity of the relationship;
3. Record of violations, if any, which may affect the legal and proper operation of charitable gaming including a violation affecting another licensee or applicant and any violation of the laws of this state, other states, and countries without limitations as to the nature of the violations;
4. Refusal to provide records, information, equipment, or access to premises to any member of the Commission or any peace officers when such access is reasonably necessary to ensure or protect public health, safety or welfare; and
5. Association or relationship to a licensed manufacturer, distributor, operator, charitable organization or commercial lessor.

(b) The Commission may not issue a license to any charitable organization whose members of the board of directors are comprised of:

1. Any person who has been convicted of a felony in any state or country;
2. Any person who has ever been convicted of a gambling-related offense in any state or federal court;
3. Any person who has been convicted of a misdemeanor offense of any theft or related offense, convicted of issuing worthless checks, convicted of illegal possession of stolen goods, or convicted of false swearing or related offense;
4. Any person who is or has ever been a professional gambler;
5. Any organization whose board membership is essentially the same as another; or
6. Any firm, organization or corporation in which any person as described in sections 1 through 4 above is an officer or director, whether compensated or not, or in which such person has a direct or indirect financial interest.

Source: *Miss. Code Ann.* §§ 97-33-57 and 97-33-81.



Rule 5.7 *Suspension and Revocation of License Holders*. The Commission may suspend any license held by a licensee after opportunity for hearing when:

(a) The Commission receives:

1. A certified copy or other credible evidence of any judgment or conviction of any licensees, their agents, servants or employees for any violation of any criminal law or ordinance of the United States, the State of Mississippi or any Mississippi city or town relating to charitable bingo; or
2. A certified copy of the record (or other credible evidence) of the forfeiture by any licensee, their agent or employee of bond to appear to answer charges of violating any law or ordinance relating to charitable bingo; or

(b) The Commission, after investigation, has reasonable cause to believe that any license holder, their agents or employees have violated provisions of the Charitable Bingo Law or these regulations; or

(c) A licensee circulates, distributes, or communicates in any manner false or misleading advertising.

Source: *Miss. Code Ann.* §§ 97-33-75 and 97-33-109.

## **Part 12 Chapter 6: PENALTIES.**

Rule 6.1 *Penalties*.

(a) The Commission has authority to establish and assess penalties and fines for violations of the Charitable Bingo Laws, rules and regulations.

(b) Any charitable organization who fails to remit a percentage of its gross proceeds of each bingo session, as required by statute and regulation, shall be liable for the amount of the unpaid fees plus a penalty of twenty-five percent (25%) of the total additional fee due. Further, they will be penalized Twenty Dollars (\$20.00) a day for each day that the report is late up to fifteen (15) days. After fifteen (15) days, a recommendation for revocation may be made.

(c) Any other licensee who fails to timely submit any fee established by the Charitable Bingo Laws or the rules promulgated thereunder shall be liable for the amount of the unpaid fee plus a penalty of twenty-five percent (25%) of the total additional fee due. Further, they will be penalized Twenty Dollars (\$20.00) a day for each day that the report is late up to fifteen (15) days. After fifteen (15) days, a recommendation for revocation may be made.

(d) All licensees shall be subject to suspension or revocation of their license for any violations of the rules and regulations concerning the reporting of bingo revenue and expenses. Any licensee who files a late report will be penalized Twenty Dollars (\$20.00) a day for each day that the report is late up to fifteen (15) days. After fifteen (15) days, a recommendation for revocation may be made.

(e) Failure of an organization to establish and maintain an adequate internal control accounting system and all records required by statute or regulation will subject that organization to suspension or revocation of its license.

Source: *Miss. Code Ann.* §§ 97-33-65, 97-33-75, and 97-33-107(g).

(f) All licensees shall be strictly prohibited from circulating, distributing or communicating in

any manner false or misleading advertising. Violations of this section will result in the suspension or revocation of the license.

Source: *Miss. Code Ann.* § 97-33-75.

*Rule 6.2 Rights of Licensee to Request a Hearing.*

(a) Any corporation, person, organization or entity holding a license under the Charitable Bingo Laws, who is aggrieved by any order, decision or other act of the Commission with respect to that license may petition the Commission, in writing, for a hearing thereon. Such petition must be filed with the Commission no later than ten (10) days after receiving notice of the Commission's action. The Commission may set a time and place for the hearing and shall notify the petitioner of the time and place fixed for the hearing. After the hearing, the Commission may make such order in the matter as it may deem just and lawful and shall furnish a copy of the order to the affected licensee.

(b) The Commission, at its option, may assign a hearing examiner to hear any matter for which a petition for a hearing has been made. The hearing examiner shall take the evidence and render a recommended decision to the Commission. The record made before the hearing examiner, as well as the recommended decision, shall be forwarded to the Commission for a final decision. No new evidence shall be presented to the Commission. Any licensee aggrieved by the decision of the hearing examiner may, no later than fifteen (15) days after the announcement of the decision, apply in writing to the Commission for review of the decision. The Commission may either grant or deny the application for review. If granted, review is limited to the record of proceedings before the hearing examiner. The Commission may sustain, modify, or reverse the hearing examiner's decision. The hearing examiner's decision becomes the final decision of the Commission unless reversed by the Commission.

(c) No license issued under the Charitable Bingo Law shall be suspended or revoked, nor any fine assessed against a licensee, until after a hearing is held on due notice.

(d) Any licensed corporation, person, organization or entity aggrieved by the final decision of the Commission may obtain a judicial review thereof in the circuit court of the county in which the bingo games are conducted. The judicial review must be instituted by filing a petition within ten (10) days after the decision is rendered.

(e) In any hearing before the Commission or the hearing examiner, the burden of proof shall be on the licensee to show compliance with the Charitable Bingo Act and the regulations promulgated thereunder.

Source: *Miss. Code Ann.* § 97-33-61.

## **TITLE 13: GAMING**

### **Part 12: Charitable Gaming Licensing**

#### **Part 12 Chapter 1: CHARITABLE BINGO ORGANIZATION.**

##### *Rule 1.1 Charitable Bingo Organization.*

(a) A bingo game may be conducted in this state only for the benefit of a charitable organization that has been licensed pursuant to statutes, rules and regulations governing the bingo activity. Any license issued pursuant to these rules will be in effect up to three (3) years.

Source: *Miss. Code Ann.* §§ 97-33-57(3), 97-33-52(1)(a), and 97-33-69(3).

(b) Any charitable organization desiring to conduct bingo games must obtain a license to do so from the Commission. An applicant for a license must file an application on a form prescribed by the Commission for such purpose. The application fee, as prescribed by statute, must accompany the application. The charitable applicant shall further provide copies of the previous three (3) years federal and state tax returns with the application.

Source: *Miss. Code Ann.* § 97-33-55(4).

(c) The fees must be paid by a check drawn on the organization's separate bingo checking account.

(d) A religious organization may be refunded the application fee if, after investigation by the Commission, it is determined that such religious organization is exempt from the application fee. No other application fees shall be refunded for any reason, including the refusal of the Commission to issue a license.

Source: *Miss. Code Ann.* §§ 97-33-55(4) and 97-33-107(c).

(e) In addition, any charitable organization which offers electronic pull-tabs is subject to a license fee equal to 2 ½ % of the net proceeds of electronic pull-tabs. This license fee shall be paid to the Commission monthly on forms prescribed by the Commission.

Source: *Miss. Code Ann.* § 97-33-107(b).

(f) The charitable bingo licensee is also required to remit fees based on gross proceeds of each bingo session as required by statute and regulation, unless the licensee meets the requirements to be an excepted religious organization.

Source: *Miss. Code Ann.* § 97-33-107(c).

(g) It is the obligation of both the lessor and the charitable organization to ensure that the facilities satisfy all local, state and federal safety and health standards. Failure to maintain the required standards can result in the suspension or revocation of their license.

(h) The charitable organization may conduct no more than two (2) five (5) hour bingo sessions

within one (1) day or more than eight (8) sessions in one (1) week. A licensee who holds only one (1) session per week may conduct a six (6) hour session.

Source: *Miss. Code Ann.* § 97-33-67.

## **Part 12 Chapter 2: MANUFACTURER AND DISTRIBUTOR.**

### *Rule 2.1 Manufacturer and Distributor.*

(a) No person or other entity shall fabricate, concoct or manufacture any supplies or equipment for use in the conducting of any bingo game within this state without having obtained a manufacturer's license from the Commission.

(b) No person or other entity shall sell, offer to sell, or otherwise furnish any bingo supplies or equipment without having obtained a manufacturers, distributors or operators license from the Commission. All such licensees shall report to the ~~commission~~ Commission no less than monthly; on forms prescribed by the ~~commission~~ Commission.

(c) Any license issued pursuant to these rules will be in effect up to one (1) year.

Source: *Miss. Code Ann.* § 97-33-79.

(d) Any organization seeking a license as a manufacturer or as a distributor of bingo gaming supplies or equipment shall submit an application(s) to the Gaming Commission on the forms provided for such purpose. A distributor is also authorized to enter into agreements with charitable organizations under which the distributor supplies electronic daubers, electronic video bingo or electronic pull-tab machines to a charitable organization. Any such organizations shall further provide copies of the previous three (3) years federal and state tax returns with the application.

Source: *Miss. Code Ann.* § 97-33-201(1)(a).

(e) Payment must be made by money order, certified check, or cashier's check on a new application. No personal checks of any person or other entity will be acceptable.

(f) All application fees are non-refundable.

(g) A manufacturer, distributor, or agents or employees; may not take part in the holding, operation or conducting of any bingo game.

(h) A distributor shall also be authorized to enter into service and/or maintenance agreements with charitable organizations who have purchased their own electronic ~~PULL-TAB~~ pull-tab devices. All such agreements must be submitted to the Commission for approval prior to execution. The rate to be charged shall not exceed the reasonable market rate for such services.

Source: *Miss. Code Ann.* § 97-33-69(5).

## **Part 12 Chapter 3: COMMERCIAL LESSOR.**

### *Rule 3.1 Commercial Lessor.*

(a) No more than two (2) sessions may be conducted within one (1) day or more than eight (8) sessions in one (1) week on the premises of the commercial lessor. A licensee who holds only

one (1) session per week may conduct a six (6) hour session. If the rental rate submitted for the premises is found by the ~~commission~~ Commission to be in excess of the reasonable market rental rate, then the same premises may not be submitted for a reasonable determination for a period of two (2) years.

(b) The commercial lessor is prohibited from requiring or receiving any payment, cost or fee from the charitable bingo licensee other than the rental amount provided for by the rental agreement. The commercial lessor may not receive any percentage from the gross receipts or profits from any bingo operation, nor charge any type of admission fee to the participants.

(c) The commercial lessor is prohibited from entering into any agreement with a distributor or operator of bingo supplies and equipment for the use, purchase, promotion or sale of such supplies and equipment.

Source: *Miss. Code Ann.* §§ 97-33-203 and 97-33-201(a).

(d) A commercial lessor is prohibited from having a direct or indirect interest of any kind or nature with:

1. A manufacturer, distributor or operator licensee.
2. Charitable bingo organizations; other than the rental agreement. This would include membership in such organization.

Source: *Miss. Code Ann.* § 97-33-81.

(e) An officer, director or manager of a charitable bingo licensee may not serve as an officer, director, shareholder, proprietor or employee of a commercial lessor.

Source: *Miss. Code Ann.* § 97-33-81.

(f) Commercial lessors, their agents or employees; shall not take part in the holding, operation or conducting of a bingo game.

Source: *Miss. Code Ann.* § 97-33-69(5).

(g) The lease providing for a rental arrangement may not be in excess of the reasonable market rental rate for such premises, and in no case shall any lease payment be based on a percentage of gross receipts or profits from a bingo game.

Source: *Miss. Code Ann.* § 97-33-69(9).

(h) It is the obligation of both the lessor and the charitable organization to ensure that the facilities satisfy all local, state and federal safety and health standards. Failure to maintain the required standards can result in the suspension or revocation of their license.

(i) Commercial lessors shall be subject to background investigations to ensure an arms-length relationship with the ~~lease~~ lessee. Both the commercial lessor and the executive director of the charity shall sign an affidavit provided by the ~~commission~~ Commission attesting to the fact that neither has any other form of business relationship with the other, nor is there any blood, marriage or personal relationship. They will also swear or affirm that neither has received,

offered or accepted any additional compensation, reward, or recompense. No person in any way connected with the charity or any family member of any person connected with the charity may benefit or profit in any way from the leasing or selling of a building to the charity.

Source: *Miss. Code Ann.* § 97-33-81.

## **Part 12 Chapter 4: OPERATORS AND DISTRIBUTORS.**

### *Rule 4.1 Operators and Distributors.*

(a) Any person desiring to rent, lease, repair and/or service electronic video bingo or pull-tab machines to a licensed charity for use in this state shall:

1. Comply with and meet all criteria as set forth in the Charitable Bingo Law and the rules adopted thereunder;
2. Be issued and maintain all applicable federal, state, and local licenses;
3. Apply for either an operator's license or a distributor's license on forms prescribed by the Commission and submit with the application an application fee as prescribed in section (b) of this regulation and the appropriate monthly rate for any part of the month such machine is placed in service-;
4. Operators must purchase all machines from a licensed distributor- and/or licensed manufacturer;
5. Distributors must purchase all machines from a licensed manufacturer.

(b) Operators and distributors must apply for license renewal on forms prescribed by the Commission no less than ninety (90) days prior to the expiration of the license and submit with the renewal the application fee.

(c) Operators and distributors shall notify the Commission in writing of the shipment of any of their machines into- or within- the state of Mississippi no less than 5 five (5) days prior to the date of delivery. This notification must include:

1. Make, model numbers, individual serial numbers and the number of machines to be sold or leased and shipped;
2. Intended date of shipment, destination, date of shipment, and bill of lading; and
3. An affidavit stating any differences, however slight, between the incoming machines and the prototype previously approved by the Commission.

(d) A license may be suspended or revoked by the Commission upon the Commission's determination that the licensee has not complied with the conditions of licensing or has failed to submit a requested report.

(e) The Commission may deny, restrict, suspend, limit, or revoke a license as an operator or distributor of electronic video bingo or pull-tab machines when it is ascertained that an applicant has solicited electronic video bingo or pull-tab business prior to being licensed by the Commission.

(f) Each operator and distributor must file a report on forms prescribed by the Commission no later than the ~~15<sup>th</sup>~~ 15<sup>th</sup> of each month and pay the per machine fee for each machine in service for any part of a month. The report must itemize each machine by its physical location and the charitable organization who is leasing such machine.

(g) All application fees are non-refundable.

(h) Operators and distributors are authorized to enter into service and maintenance agreements with charitable organizations who have purchased their own electronic ~~PULL-TAB~~ pull-tab

devices. All such agreements must be submitted to the Commission for approval. The rate to be charged shall not exceed the reasonable market rate for such services as determined by the ~~commission~~ Commission.

(i) All rental agreements between the distributor or operator and/or the charitable organization must be submitted to the Commission for approval prior to its execution.

(j) Any such applicant shall further provide copies of the previous three (3) years federal and state tax returns with the application.

Source: *Miss. Code Ann.* §§ 97-33-79(5), 97-33-201, and 97-33-203.

## **Part 12 Chapter 5: PERMITS AND LICENSES.**

### *Rule 5.1 Permitting Process.*

(a) Authorization to use or furnish electronic video bingo or pull-tab machines shall only be granted to:

1. A licensed charitable organization for its own machines; or
2. A licensed operator who leases, rents or otherwise furnishes such machines to a licensed charitable organization; or
3. A licensed manufacturer who leases, rents, sells or otherwise furnishes to a licensed distributor or sells to a licensed operator; ~~and;~~
4. A licensed distributor who sells to a licensed operator or charity; and
5. A licensed distributor who enters into agreements with charitable organizations under which the distributor supplies electronic video bingo or electronic pull-tab devices to a charitable organization with the distributor's compensation being based on the amount of play on the machine.

(b) An approved operator or distributor before placing any machines on location under lease must submit to the Commission an application for a permit stamp for each machine intended for use. The application must include:

1. Make, model, serial number and quantity of machines intended for use;
2. Name of each participating charitable organization;
3. Copy of lease or rental agreement between the charitable organizations and the operator or distributor;
4. Location and address where specified electronic video bingo or pull-tab machines are to be used and owner information. A separate application must be completed for each machine.

(c) Upon approval of an application for placing machines at a given location, a representative of the Commission may inspect, test, and approve each machine. The Commission representative will affix a permit stamp, logic board seal and hard meter seal to each machine, whereupon they may be transported to an approved location. Upon arrival each machine will be inspected by an agent of the ~~commission~~ Commission prior to the device's placement into operation.

(d) Permit stamps must be affixed to the exterior machine cabinet so the stamp is visible and easily read. The machine may not be positioned or located in any way which would obscure a person's ability to see and read the permit stamp.

(e) No machine shall be placed in service prior to the Commission's issuance and affixing of a permit stamp, logic board seal and hard meter seal.

(f) A charitable organization that purchases a machine must follow the same procedures outlined

for a distributor or operator prior to placing said machine in use.

Source: *Miss. Code Ann.* § 97-33-65.

*Rule 5.2 Permit Stamp, Machine Location.*

- (a) A permit stamp for a machine is only valid for the licensee and the premises identified on the approved permit application.
- (b) A permit stamp is further restricted to the particular machine approved by the Commission and identified on the permit application.
- (c) A permit stamp is not the personal property of the licensee and may be removed by the Commission at any time.
- (d) No machine shall be moved from the location specified in the permit application for use at another location until a new application is approved and the transfer is authorized in writing by the Commission.
- (e) No machine shall be moved from the location specified in the permit application without prior authorization from the Commission.

Source: *Miss. Code Ann.* § 97-33-65.

*Rule 5.3 Expiration of License/Reissuance.*

- (a) All electronic video bingo and pull-tab device permit stamps and operators licenses issued pursuant to these rules expire not more than one (1) year from the date of issuance.
- (b) All fees must be paid and a new permit stamp issued; before a previously permitted machine may be operated in this state.
- (c) The Commission will consider the same criteria for renewal of permit stamps as for the original issuance of permit stamps. Failure to satisfy permit criteria contained herein may result in denial or removal of a permit stamp; or license revocation.

Source: *Miss. Code Ann.* §§ 97-33-57, 97-33-65, and 97-33-201.

*Rule 5.4 Compensation of Workers of Charitable Organizations.*

- (a) An organization may pay eligible workers only for services actually rendered in assisting in the holding, operating or conducting of a licensed charitable bingo game. Payment shall not exceed Four Hundred Dollars (\$400.00) per session to all persons compensated.
- (b) Contact persons, ~~Supervisors~~ supervisors, and alternate supervisors are forbidden to enter into any agreements with a manufacturer, distributor, operator or commercial lessor except on behalf of the charitable bingo licensee as authorized by the licensee by written contract.
- (c) The contact person, supervisor, alternate supervisor and anyone assisting in the holding, operating, or conducting of a licensed bingo game must apply to the Commission for a finding of suitability to operate bingo for a charitable organization. Any person found unsuitable may also be deemed unsuitable by the ~~commission~~ Commission to work in any capacity in the bingo hall.
- (d) A corporation, person or entity operating bingo or assisting in the holding, operating or conducting of a licensed bingo game, as provided in section (c) of this regulation, for the benefit of a licensed charitable organization shall be restricted to operating such games for a limit of one (1) such organization authorized to pay employees up to a maximum of Four Hundred Dollars (\$400.00) per session. Such corporation, person or entity shall only be authorized to conduct



such sessions at one (1) physical location or building.

(e) Any corporation, person, or entity operating bingo games under contract, as previously described, shall have a written contract with the charitable organization and shall be subject to any rules and regulations promulgated by the Commission.

Source: *Miss. Code Ann.* § 97-33-69.

**Rule 5.5 *Licenses Not Transferable.*** No license issued by the Commission pursuant to the Charitable Bingo Law is transferable by name nor location. Any license issued under this Act is a privilege and not personal property; and must be surrendered to the Commission upon request.

Source: *Miss. Code Ann.* §§ 97-33-107 and 97-33-109.

**Rule 5.6 *Applicant Suitability and Business Relationships.***

(a) The Commission may deny an application or revoke, suspend, restrict, or limit a license when it finds that the applicant or a business relationship between an applicant and another person or business entity is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of an applicant or other persons or business entities in a business relationship, the Commission may consider the person or business entity's:

1. General character; including honesty and integrity;
2. Financial security and stability, competency, and business experience in the capacity of the relationship;
3. Record, ~~if any~~, of violations, if any, which may affect the legal and proper operation of charitable gaming including a violation affecting another licensee or applicant; and any violation of the laws of this state, other states, and countries without limitations as to the nature of the violations;
4. Refusal to provide records, information, equipment, or access to premises to any member of the Commission or any peace officers when such access is reasonably necessary to ~~insure~~ ensure or protect public health, safety or welfare; and
5. Association or relationship to a licensed manufacturer, distributor, operator, charitable organization or commercial lessor.

(b) The Commission may not issue a license to any charitable organization whose members of the board of directors ~~is~~ are comprised of:

1. Any person who has been convicted of a felony in any state or country;;
2. Any person who has ever been convicted of a gambling-related offense in any state or federal court;;
3. Any person who has been convicted of a misdemeanor offense of any theft or related offense, ~~or~~ convicted of issuing worthless checks, convicted of illegal possession of stolen goods, or convicted of false swearing or related offense;;
4. Any person who is or has ever been a professional gambler;;
5. Any organization whose board membership is essentially the same as another; or
6. Any firm, organization or corporation in which any person as described in ~~paragraphs~~ sections 1 through 4 above is an officer or director, whether compensated or not, or in which such person has a direct or indirect financial interest.

Source: *Miss. Code Ann.* §§ 97-33-57 and 97-33-81.

Rule 5.7 *Suspension and Revocation of License Holders*. The Commission may suspend any license held by a licensee after opportunity for hearing when:

(a) The Commission receives:

1. A certified copy (or other credible evidence of any judgment or conviction of any licensees, their agents, servants or employees for any violation of any criminal law or ordinance of the United States, the State of Mississippi or any Mississippi city or town relating to charitable bingo; or
2. A certified copy of the record (or other credible evidence) of the forfeiture by any licensee, their agent or employee of bond to appear to answer charges of violating any law; or ordinance relating to charitable bingo; or

(b) The Commission, after investigation, has reasonable cause to believe that any license holder, their agents or employees have violated provisions of the Charitable Bingo Law or these regulations; or

(c) A licensee circulates, distributes, or communicates in any manner false or misleading advertising.

Source: *Miss. Code Ann.* §§ 97-33-75 and 97-33-109.

## **Part 12 Chapter 6: PENALTIES.**

Rule 6.1 *Penalties*.

(a) The Commission has authority to establish and assess penalties and fines for violations of the ~~charitable bingo laws~~ Charitable Bingo Laws, rules and regulations.

(b) Any charitable organization who fails to remit a percentage of its gross proceeds of each bingo session, as required by statute and regulation, shall be liable for the amount of the unpaid fees plus a penalty of twenty-five percent (25%) of the total additional fee due. Further, they will be penalized ~~twenty dollars~~ Twenty Dollars (\$20.00) a day for each day that the report is late up to fifteen (15) days. After fifteen (15) days, a recommendation for revocation may be made.

(c) Any other licensee who fails to timely submit any fee established by the Charitable Bingo Laws or the rules promulgated thereunder shall be liable for the amount of the unpaid fee plus a penalty of twenty-five percent (25%) of the total additional fee due. Further, they will be penalized ~~twenty dollars~~ Twenty Dollars (\$20.00) a day for each day that the report is late up to fifteen (15) days. After fifteen (15) days, a recommendation for revocation may be made.

(d) All licensees shall be subject to suspension or revocation of their license for any violations of the rules and regulations concerning the reporting of bingo revenue and expenses. Any licensee who files a late report will be penalized ~~twenty dollars~~ Twenty Dollars (\$20.00) a day for each day that the report is late up to fifteen (15) days. After fifteen (15) days, a recommendation for revocation may be made.

(e) Failure of an organization to establish and maintain an adequate internal control accounting system; and all records required by statute or regulation; will subject that organization to suspension or revocation of its license.

Source: *Miss. Code Ann.* §§ 97-33-65, 97-33-75, and 97-33-107(g).

(f) All licensees shall be strictly prohibited from circulating, distributing or communicating in any manner false or misleading advertising. Violations of this section will result in the suspension or revocation of the license.

Source: *Miss. Code Ann.* § 97-33-75.

*Rule 6.2 Rights of Licensee to Request a Hearing.*

(a) Any corporation, person, organization or entity holding a license under the ~~charitable-bingo law~~ Charitable Bingo Laws, who is aggrieved by any order, decision or other act of the Commission with respect to that license may petition the Commission, in writing, for a hearing thereon. Such petition must be filed with the ~~commission~~ Commission no later than ten (10) days after receiving notice of the ~~commission's~~ Commission's action. The Commission may set a time and place for the hearing, and shall notify the petitioner of the time and place fixed for the hearing. ~~after~~ After the hearing, the ~~commission~~ Commission may make such order in the matter as it may deem just and lawful and shall furnish a copy of the order to the affected licensee.

(b) The ~~commission~~ Commission, at its option, may assign a hearing examiner to hear any matter for which a petition for a hearing has been made. The hearing examiner shall take the evidence and render a recommended decision to the ~~commission~~ Commission. The record made before the hearing examiner, as well as the recommended decision, shall be forwarded to the ~~commission~~ Commission for a final decision. No new evidence shall be presented to the ~~commission~~ Commission. Any licensee aggrieved by the decision of the hearing examiner may, no later than fifteen (15) days after the announcement of the decision, apply in writing to the ~~commission~~ Commission for review of the decision. The ~~commission~~ Commission may either grant or deny the application for review. If granted, review is limited to the record of proceedings before the hearing examiner. The ~~commission~~ Commission may sustain, modify, or reverse the hearing examiner's decision. The hearing examiner's decision becomes the final decision of the ~~commission~~ Commission unless reversed by the Commission.

(c) No license issued under the ~~charitable-bingo law~~ Charitable Bingo Law shall be suspended or revoked, nor any fine assessed against a licensee, until after a hearing is held on due notice.

(d) Any licensed corporation, person, organization or entity aggrieved by the final decision of the Commission may obtain a judicial review ~~there-of~~ thereof in the circuit court of the county in which the bingo games are conducted. The judicial review must be instituted by filing a petition within ten (10) days after the decision is rendered.

(e) In any hearing before the Commission, or the hearing examiner, the burden of proof shall be on the licensee to show compliance with the Charitable Bingo Act and the regulations promulgated thereunder.

Source: *Miss. Code Ann.* § 97-33-61.